

1 UNITED STATES DEPARTMENT OF JUSTICE
2 CIVIL DIVISION

3 JEFFREY BOSSERT CLARK
Acting Assistant Attorney General

4 RUTH A. HARVEY
Director

5 KIRK MANHARDT
Deputy Director

6 MATTHEW J. TROY (GABN 717258)
Senior Trial Counsel

7 P.O. Box 875

8 Ben Franklin Station

9 Washington, DC 20044-0875

10 Telephone: (202) 514-9038

11 E-mail: matthew.troy@usdoj.gov

12 DAVID L. ANDERSON (CABN 149604)
United States Attorney

13 Attorneys for the United States of America

14 **UNITED STATES BANKRUPTCY COURT**
15 **NORTHERN DISTRICT OF CALIFORNIA**
16 **SAN FRANCISCO DIVISION**

17 **In re:**

18 **PG&E CORPORATION**

19 **- and -**

20 **PACIFIC GAS AND ELECTRIC**
21 **COMPANY,**

22 **Debtors.**

- 23 ☐ Affects PG&E Corporation
24 ☐ Affects Pacific Gas and Electric Company
25 ☒ Affects both Debtors

26 *All papers shall be filed in the Lead Case,*
27 *No. 19-30088 (DM).*

) Bankruptcy Case

) No. 19-30088 (DM)

) Chapter 11

) (Lead Case)

) (Jointly Administered)

) Date: November 17, 2020

) Time: 10:00 a.m. (Pacific Time)

) Place: **(Telephonic or Video Only)**

) United States Bankruptcy Court

) Courtroom 17, 16th Floor

) San Francisco, CA 94101

) Judge: Hon. Dennis Montali

) RE: Docket No. 9355

28 **LIMITED OBJECTION OF THE UNITED STATES OF AMERICA TO MOTION FOR**
29 **ENTRY OF AN ORDER EXTENDING DEADLINE FOR THE REORGANIZED**
30 **DEBTORS TO OBJECT TO CLAIMS**

31 The United States of America, on behalf of various federal agencies, hereby objects to the
32 *Motion for Entry of an Order Extending Deadline for the Reorganized Debtors to Object to Claims*

1 (the “Motion”).¹

2 In the Motion, the Reorganized Debtors seek a six-month extension of the Current Objection
3 Deadline of December 28, 2020, to June 26, 2021 – five days short of the one-year anniversary of the
4 Plan’s Effective Date. The United States acknowledges that the Plan vests the Court with the
5 discretion to extend the Current Objection Deadline for cause shown and does not oppose *an* extension
6 of that deadline; however, six months is too long and prejudicial to creditors, and for the reasons
7 below, suggests an extension until March 31, 2021.

8
9 The United States holds a number of substantial Class 4B Utility General Unsecured Claims
10 under the Plan that the Reorganized Debtors have neither objected to nor paid. Under the Plan, Class 4B
11 claims were to be paid “on the Effective Date or as soon as reasonably practicable thereafter, but in no
12 event later than thirty (30) days after the later to occur of (i) the Effective Date and (ii) the date such
13 Claim becomes an Allowed Claim.” Plan, § 4.23(b). The Plan defines “Allowed,” in part, as “any
14 Claim or Interest arising on or before the Effective Date as to which no objection to allowance has been
15 interposed within the time period set forth in the Plan,” *id.* § 1.7(f), i.e., the Current Objection Deadline.
16 The Plan deemed Class 4B claims unimpaired and therefore, not entitled to vote. *Id.* § 4.23(b).

17
18 If the Court grants the Motion as requested, the practical effect of these provisions means that
19 Class 4B creditors, despite being unimpaired and denied the right to vote on the Plan, will wait almost a
20 year before knowing whether the Reorganized Debtors will pay their claims or object to them – a period
21 which could be even longer since the Reorganized Debtor’s current request is without prejudice to
22 further extension requests. Such treatment is inequitable and contrary to the concept of unimpaired as
23 understood under the Bankruptcy Code. *See Mutual Life Ins. Co. of N.Y. v. Patrician St. Joseph Partners*
24 *Ltd. P’ship (In re Patrician St. Joseph Partners Ltd. P’ship)*, 169 B.R. 669, 678 (D. Ariz. 1994) (holding
25
26

27
28 ¹ Terms not otherwise defined herein shall have the meaning ascribed to them in the Motion and accompanying exhibits.

1 90-day delay in paying administrative convenience class of creditors was impairment); *In re Haardt*, 65
2 B.R. 697, 701 (Bankr. E.D. Pa. 1986) (holding potential 120-day delay in payment after confirmation
3 impaired class).

4 The United States acknowledges the Reorganized Debtors' progress to date in (1) resolving
5 approximately 7,200 Proofs of Claim with minimal court involvement and (2) making distributions on
6 approximately 3,400 Claims. Mot. at 2. But those claims receiving distributions represent only 15% of
7 the approximate total of 22,440 Claims, and the Reorganized Debtors admit there are over 15,000
8 unresolved claims aggregating \$17.7 billion, *id.*² Given the number and amount of such claims being
9 held in limbo, claims that the Plan deemed unimpaired, the Court should require the Reorganized Debtors
10 to return sooner than June 26, 2021, if they need a further extension.
11

12 For the foregoing reasons, the Court should deny the requested extension and grant an extension
13 only until March 31, 2021, without prejudice to the Reorganized Debtors' right to seek additional
14 extensions.
15

16
17 Date: November 10, 2020

Respectfully submitted,

18 JEFFREY BOSSERT CLARK
19 Acting Assistant Attorney General
20 Civil Division
21 DAVID L. ANDERSON (CABN 149604)
22 United States Attorney

23 /s/ Matthew J. Troy
24 RUTH A. HARVEY
25 Director
26 KIRK MANHARDT
27 Deputy Director
28 MATTHEW J. TROY
Senior Trial Counsel
Attorneys for the United States

29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

² To some degree, the Motion's numbers cannot be reconciled. With 15,200 Claims unresolved, 7,200 Claims resolved, and 3,400 Claims receiving distributions, there should be 25,800 total claims not 22,440, unless there is overlap between Claims resolved and Claims receiving distributions.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

/s/ Matthew J. Troy
Matthew J. Troy
Senior Trial Counsel
Attorney for the United States